

REMARKS

This Amendment and Request for Reconsideration is submitted in response to an outstanding Office Action dated November 3, 2004, the three month shortened period for response having expired on February 3, 2005. Accordingly, a petition for a two month extension of time and associate fee are included. If the Commissioner determines that an additional extension of time is due, the undersigned hereby petitions for such extension and authorizes the Commissioner to charge any associated fee to the Milbank deposit account 13-3250.

I. Status of the Claims

Please amend claims 1, 116, 117, 118 and 119 as indicated above. Please cancel claims 23 and 120 without prejudice. Claims 18-22 and 24-115 were previously canceled without prejudice. Claims 1-17 and 116-119 are currently pending in this application. Claims 1, and 116-119 are independent claims.

Applicants acknowledge the Examiner's citation of statutory authority as a basis for claim rejections.

II. Rejections under 35 U.S.C. § 101

The Examiner has rejected claims 1-17, 23 and 116-120 under 35 U.S.C. § 101, as directed to non-statutory subject matter. The Examiner states (emphasis in original) that “the claims lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. The Patent Office has taken the position that some form of technology must be claimed in the body of the claim. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are ‘nothing more than [an] abstract idea which is not tied to any technological art and it is not a useful art as contemplated by the

Constitution.’ *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Board Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning.”

Applicant respectfully traverses the rejection. As an initial matter, applicants submit that under existing precedent, all of the claims presently rejected under § 101 are directed to statutory subject matter.¹ For this reason applicants ask that the rejection under § 101 be withdrawn.

Applicants further submit that use of a non-precedential and unpublished opinion as the only basis for rejection under § 101 is improper and unsupported and ask that the rejection be withdrawn.

Finally, the facts of *Bowman* are clearly distinguishable from this application. The Examiner in *Bowman* asserted that “the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed.”² On appeal, the Board of Patent Appeals and Interferences agreed with the Examiner and stated that the Appellant had “carefully avoided tying the disclosed and claimed invention to any technological art or environment.”³ The Board also noted that the U.S. Patent and Trademark Office Examination Guidelines for Computer Related Inventions “[were] not dispositive ... because there [was] absolutely no indication ... that the invention [was] connected to a computer in any manner.”⁴

In a concurring opinion, Administrative Patent Judge Dixon elaborated on reasons why *Bowman* was distinguishable from other precedent. In particular, Judge Dixon noted that

¹ See *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998).

² *Bowman* 61 U.S.P.Q.2d at 1671 (emphasis added).

³ *Id.*

⁴ *Id.*

“the [Bowman] specification is silent as to the need for any apparatus to carry out the claimed process.”⁵ Judge Dixon then contrasted *Bowman* with *State Street Bank, Alappat*⁶ and *Arrhythmia*⁷, where the disclosed inventions were in a technological art.⁸ Judge Dixon also admitted that under *AT&T*⁹, “structure need not be present in the claim language for process claims to be directed to statutory subject matter.”¹⁰

Accordingly, *Bowman* is clearly limited to the circumstance where there is no disclosure of structure.

The instant application clearly discloses structure. For example, figure 1 illustrates structural interrelationship between various entities. Those entities are electronically connected (See e.g., specification ¶ 0017), and include structural items like computers, processor, memory, network interface, removable storage, fixed storage, and input/output, connected by a bus. Thus, in sharp contrast to the total lack of disclosed structure in *Bowman*, the instant application includes a disclosure of structure, and is therefore distinguishable from *Bowman*. Accordingly, Applicants submit that the rejection under § 101 is without factual or legal support and ask that it be withdrawn.

III. Rejections under 35 U.S.C. § 112, first paragraph

The Examiner has rejected claims 1-17, 23 and 116-120 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Regarding claims 1-17 and 23, the Examiner states that the “specification does not provide an enabling disclosure to support the claimed step of ‘providing a company or company representatives with unilateral

⁵ *Id.*, at 1673 (emphasis added).

⁶ *In re Alappat*, 31 U.S.P.Q.2d 1545 (Fed. Cir. 1994).

⁷ *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 22 U.S.P.Q.2d 1033 (Fed. Cir. 1992).

⁸ *Bowman*, 61 U.S.P.Q.2d at 1674.

⁹ *AT & T Corp. v. Excel Communications Inc.*, 50 U.S.P.Q.2d 1447 (Fed. Cir. 1999).

¹⁰ *Bowman*, 61 U.S.P.Q.2d at 1674.

authority to implement the condition and change a parameter of the debt instrument.”

Regarding claims 116-120, the Examiner states that the “specification does not provide an enabling disclosure to support the claimed feature of ‘wherein the changed parameter has less than an infinite number of values.’”

First, Applicant respectfully disagrees that the claim language in question was not supported by the original specification. However, to move the case to allowance, Applicant has amended claims 1, and 116-119 to more closely track the language of the specification. Claim 1 now states in part “providing a company board of directors with authority to implement the condition and change a parameter of the debt instrument as the board of directors deems appropriate.”

Support for providing a company board of directors with authority to implement the condition and change the parameter is found in the specification. In a non-limiting example, at paragraph [0026], the specification states (emphasis added):

If system 100 determines at step 210 that the debt concentration threshold is not met, then at step 214, system 100 determines whether there is a change in the threshold. Variations in this format are possible for marketing purposes of new issuances of corporate debt, which would include, for example, a 15 or 20% designated threshold percentage at the time of original issue, with the ability of the Board of Directors to bring the threshold percentage down to 10%. Those purchasers who have acquired more than 10% before the re-designation are grandfathered, but not purchasers from them. It is also possible to put limits on the Board in its re-designation, based on the credit rating of the instrument or the discount at which the notes or debentures are trading in the public market. Such constraints are the subject of negotiation, but generally you would expect that the company would want to have freedom to make a change at a time and in a percentage it deemed appropriate.

As this paragraph clearly describes, the company Board of Directors has the authority to

change the parameter as it deems appropriate. When read in the whole, the rest of the specification clearly provides support for this claim language. Applicants thus submit that when read in the entirety, the specification provides support for a company board of directors having authority to implement the condition and change the parameter as deemed appropriate. Claims 1-17 thus enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Accordingly, the applicant respectfully requests that the Examiner withdraw this rejection.

Similarly claims 116-119 are fully supported by the specification. A change of series (claim 116), a change in subordination (claim 117), a restriction on voting (claim 118), and a restriction on redemption (claim 119) of the debt instrument are all described in paragraphs 22 and 23 of the specification.

IV. Rejections under 35 U.S.C. § 103

The Examiner has rejected claims 1-17 under 35 U.S.C. § 103(a) as being unpatentable over King (U.S. Patent No. 6,148,293), as discussed in paragraph 5 of the August 11, 2003 Office Action. The Examiner states that the added limitation “providing a company or company representatives with unilateral authority to implement the condition and change a parameter of the debt instrument” has not been considered in making the rejection in view of the rejection under 35 U.S.C. § 112, ¶ 1.

The Examiner acknowledged that King fails to “explicitly teach the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold.” The Examiner takes official notice that the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold is old and well known in the art.” And that

“[c]hanging the threshold can be negotiated between the lender and the borrower.” The Examiner also stated that King “teaches the step of issuing the debt instrument with the associated condition and changing at least one parameter of the debt instrument (*See King Claim 1*).”

As discussed above, claim 1 has been amended to more clearly reflect the fact that the specification provides for providing a company board of directors with authority to implement the condition and change a parameter of the debt instrument as the board of directors deems appropriate. The negotiated change between lender and borrower of King does not disclose, teach or suggest such authority by a company board of directors as the board of directors deems appropriate.

The Examiner has also rejected claims 116-120 under 35 U.S.C. § 103(a) as being unpatentable over King (U.S. Patent No. 6,148,293). The Examiner states that the feature “wherein the changed parameter has less than an infinite number of values” has not been considered in making the rejection in view of the rejection under 35 U.S.C. § 112, ¶ 1. As support for the rejection, the Examiner states that King “discloses a method, for changing at least one parameter of the debt instrument when a condition associated with a debt instrument changes. (See King Column 6, line 64 - Column 7, line 8, claims 1-4).”

Applicant respectfully submits that the Examiner has not addressed all of the limitations of claims 116-119. In particular, each claim recites: determining a debt concentration threshold; and associating a condition with a debt instrument, the condition changing at least one parameter of the debt instrument, the condition available when an entity holds more debt instruments than the debt concentration threshold. The Examiner’s rejection entirely fails to address the claimed debt concentration threshold. In the rejection of claim 1, the Examiner admits that King fails to

“explicitly teach the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold.” The recited section of King fails to disclose or suggest determining a debt concentration threshold, associated a condition with a debt instrument, and the condition changing at least one parameter of the debt instruction, the condition available when an entity holds more debt instruments than the debt concentration threshold.

For at least these reasons, Applicant submits that claims 1-17 and 116-119 are allowable.

V. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

Respectfully submitted,

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